

## INVESTMENT COMMITTEE - NOTES FROM JANUARY 18, 2022

### US BANK PRIVATE WEALTH MANAGEMENT - - 10:00 AM

Present: Chuck, Dennis, Bill Heiting, John Sylla, and Bill Rogalinski

| Market value | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 |
|--------------|--------------|--------------|--------------|--------------|--------------|
|              | \$95.6M      | \$92.1M      | \$91.5M      | \$84.9M      | \$75.9M      |

- Net contributions
  - Calendar YTD - \$11.9M / \$878k Fiscal YTD
- Earnings, gains/losses
  - Calendar YTD - \$7.3M / \$3.4M Fiscal YTD
- Allocation – Equities 57.4%, Fixed 42.4%, Cash/Other 0.2%
- Bonds – Current Yield 2.60%

| ROI       | 3 Month (Net of Fees) |       | Trailing 12 Months  |        |
|-----------|-----------------------|-------|---------------------|--------|
| Portfolio | 3.98% vs. benchmark   | 4.27% | 9.38% vs. benchmark | 10.93% |
| Equities  | 7.89%                 |       | 20.22%              |        |
| Fixed     | -0.75%                |       | -1.37%              |        |

### COLUMBIA THREADNEEDLE INVESTMENT (CTI) - - 11:00AM

Present: Chuck, Dennis, Bill Heiting, Bill Landis, David Wiess, and Troy Rossow

Transition from BMO to Columbia Threadneedle was completed on December 16, 2021. The Equity investment performance reflects thru 12/31 and CT Bond performance from 12/16 to 12/31/21.

#### QUALIFIED (RETIREMENT)

| LERP         | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Market value | \$55M        | \$42.8M      | \$43.6M      | \$41.6M      | \$41.2M      |
| SJPF         |              | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 |
| Market value |              | \$12.7M      | \$12.7M      | \$11.9M      | \$11.7M      |

- Allocation – Equities 61% / Fixed 37% / Cash 2%
- ROI <Gross of Fees>
  - BMO SRI 3 Month Equity, 10.14% vs 9.91%
  - BMO Since Inception 12/16/21 -.Fixed .18% vs. .11%
  - BMO SRI Trailing 12 Months 28.59% vs 28.14%
  - CT Fixed since inception 12/16/21 Fixed 1.18% vs.1.1%
  - CT Bond Duration 7.5 Years

#### NON-QUALIFIED (ENDOWMENTS)

| Endowments   | Dec 31, 2021 | Sep 30, 2021 | Jun 30, 2021 | Mar 31, 2021 | Dec 31, 2020 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Market value | \$46M        | \$43.9M      | \$44.3M      | \$42.2M      | \$41.5M      |

- Allocation – Equities 59% / Fixed 38% / Cash 3%
- ROI <Gross of Fees>
  - BMO SRI 3 Month Equity, 10.07% vs 9.91%
  - BMO Since Inception 12/16/21 -.Fixed .17% vs.11%
  - BMO SRI Trailing 12 Months 28.92% vs 28.14%
  - CT Fixed since inception 12/16/21 Fixed 1.16% vs.1.1%
  - CT Bond Duration 7.5 Years

## MARKET VIEWS/ CONCERNS OF INVESTORS:

- Both institutions expect to see GDP growth will slow from the 6+% in 2021 to more normal 2% to 4% for 2022. Household savings remain higher than normal.
- Investment earnings expected to be more toward the norm of 4% to 8% for 2022
- Inflation is no longer considered transitory and will adversely affect the 2022 economy and into 2023.
- Both institutions see the value sector overshadowing the growth sector of in the near future when it comes to earnings potential.
- Bond markets will be challenged for 2022 as the Fed begins to raise interest rates and cut back on their bond purchasing program.
- Corporate Earnings remain strong.
- The matter with supply chain crisis will impact future corporate growth over the next year, contributing to continued market volatility.
- Both institutions see potential in Developed and Emerging markets.